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January 13, 2006

Department of the Interior
Minerals Management Service
Attention: Rules Processing Team
381 Elden Street, MS-4024
Herndon, Virginia 20170-4817

RE: RIN 1010-AD23, Recovery of Costs Related to the Regulations of Oil and Gas Activities on the OCS-AD23, 70 Fed. Reg. 69118 (November 14, 2005) – Proposed Rule

Dear Sir or Madam:

Chevron U.S.A. Inc. (Chevron) appreciates the opportunity to comment on the Minerals Management Service's (MMS) Federal Register notice proposing regulations which impose new fees to cover MMS's costs of processing certain applications and permits. Chevron as an active operator in federal waters of the Gulf of Mexico (GOM) is very interested in the proposed action being considered by MMS.

As stated in our letter dated April 25, 2005 regarding the advanced proposed notice of Rulemaking covering this particular issue, Chevron remains concerned MMS is contemplating imposing fees on the handling of certain mandated documents that must be submitted and approved by MMS prior to a lessee being allowed to enjoy the rights acquired in a lease located on the OCS. We understand the rationale of cost recovering being promoted by the Office of Management of Budget, but continue to question the applicability of this concept to the types of documents and paperwork listed in the referenced notice. As we previously stated, failure of a lessee to submit mandated paperwork to MMS would in essence prohibit a lessee from being allowed to conduct any activity on an acquired lease. Charging fees for these required documents seems unreasonable. Our recommendation continues to be MMS reconsider implementation of the fee program described in the notice for processing permits, applications or other documents required by regulations prior to a lessees being allowed to operate on an any OCS lease.

Should MMS believe it is compelled to implement the proposed rule as written, as previously stated in our April 25th comments, it is recommended MMS re-evaluate its processes and attempt to identify inefficiencies which if modified could produce cost savings. Streamlining more of its traditional processes may remove unnecessary costs currently being incurred by MMS and contemplated to be passed on to lessees for cost recovery as described in the referenced notice. Eliminating inefficiencies should be the first step in identifying cost savings and thus reducing the fees to be charged to operators and others.

We again wish to express our appreciation at being given the opportunity to comment on the proposed rulemaking. Should there be any questions regarding our comments, please do not hesitate to contact me.

Yours truly,
Chevron U.S.A. Inc.

A handwritten signature in black ink, appearing to read "J. Keith Couvillion", written over a horizontal line.